
Government of the District of Columbia



Department of Human Services

Testimony of
Kate Jesberg
Interim Director

***“Fiscal Year 2007 Budget Request for the Family
Services Administration, Income Maintenance
Administration, Early Care and Education
Administration, Agency Management and
Agency Fiscal Operations”***

Committee on Human Services
Adrian Fenty, Chair
Council of the District of Columbia

March 30, 2006

Council Chamber
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Washington, DC 20004
9:00 A.M.

GOOD MORNING, CHAIRPERSON FENTY AND MEMBERS OF THE COMMITTEE ON HUMAN SERVICES. I AM KATE JESBERG, INTERIM DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES. I AM PLEASED TO BE BEFORE YOU TODAY TO DISCUSS THE PROPOSED FISCAL YEAR 2007 (FY07) BUDGET FOR THE DEPARTMENT OF HUMAN SERVICES. I AM JOINED TODAY BY THE DEPARTMENT'S ASSOCIATE CHIEF FINANCIAL OFFICER, DELORAS SHEPHERD, AS WELL AS THE TEAM OF ADMINISTRATORS WHO OPERATE THE DEPARTMENT'S PROGRAMS.

THE FY07 PROPOSED BUDGET FOR THE FAMILY SERVICES, INCOME MAINTENANCE, EARLY CARE AND EDUCATION, AND REHABILITATION SERVICES ADMINISTRATIONS, AND CENTRAL ADMINISTRATION IS \$384,822,607. OF THIS TOTAL, \$182,348,474 OR 47 PERCENT, IS LOCAL FUNDING. THIS REPRESENTS A NET INCREASE OF \$8,948,864 IN LOCAL FUNDS AND AN OVERALL INCREASE OF \$26,653,101, OR 7.4 PERCENT, FOR THE DEPARTMENT FOR FY07.

THIS INCREASE, IN PART, SUPPORTS AN INCREASE IN THE DEPARTMENT'S FTE CEILING OF 67 NEW POSITIONS. FIFTY-THREE OF THESE POSITIONS ARE IN THE INCOME MAINTENANCE ADMINISTRATION (IMA) WITH THE REMAINING 14 POSITIONS IN THE FAMILY SERVICES ADMINISTRATION. THE IMA POSITIONS WILL SUPPORT THE TRANSITION OF THE ELIGIBILITY DETERMINATION FUNCTION FOR THE LOCALLY-FUNDED D.C. HEALTHCARE ALLIANCE. THE FSA POSITIONS WILL SUPPORT THE IMPLEMENTATION OF THE HOMELESS SERVICES

REFORM ACT AND THE EXPANSION OF ADULT PROTECTIVE SERVICES (APS) TO INCLUDE ADULTS WHO SELF-NEGLECT.

BECAUSE YOU WILL BE HOLDING A SEPARATE HEARING ON THE BUDGETS OF THE REHABILITATION SERVICES ADMINISTRATION AND THE MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES ADMINISTRATION, I WILL PRIMARILY FOCUS ON THE PROPOSED BUDGETS OF THE REMAINING ADMINISTRATIONS -- FAMILY SERVICES ADMINISTRATION (FSA), INCOME MAINTENANCE ADMINISTRATION (IMA), AND EARLY CARE AND EDUCATION ADMINISTRATION (ECEA).

FAMILY SERVICES ADMINISTRATION

FSA'S BUDGET IS SUPPORTED NEARLY EQUALLY BY FEDERAL AND LOCAL FUNDS. THE FY07 PROPOSED BUDGET FOR FSA IS \$54,810,463, AN INCREASE OF \$8,501,145 OVER FY06. THIS PROPOSED BUDGET SUPPORTS 71 FTES, INCLUDING 16 POSITIONS THAT WILL BE FUNDED THROUGH LOCAL APPROPRIATIONS OF \$27,629,833; 54 POSITIONS FUNDED THROUGH FEDERAL GRANTS WHICH TOTAL \$23,197,630; AND ONE (1) POSITION FUNDED WITH OTHER FUNDS. THE PROGRAMS SUPPORTED BY THESE DOLLARS IN THE FAMILY SERVICES ADMINISTRATION INCLUDE: THE HOMELESS SERVICES PROGRAM, ADULT PROTECTIVE SERVICES (APS), THE TEEN PARENT ASSESSMENT PROGRAM, THE REFUGEE RESETTLEMENT PROGRAM, THE STRONG FAMILIES PROGRAM, AND THE COMMUNITY SERVICES BLOCK GRANT PROGRAM.

IN FY07 FSA EXPECTS TO PROVIDE SHELTER SERVICES FOR APPROXIMATELY 19,000 INDIVIDUALS, OF WHICH APPROXIMATELY 16,000 ARE SINGLE ADULTS AND 3,000 ARE PERSONS IN FAMILIES. THE PROGRAM WILL CONTINUE TO SUPPORT A NETWORK OF SHELTER SERVICES THAT WILL HELP INDIVIDUALS AND FAMILIES MOVE TOWARD STABILIZING THEIR LIVES. THE FY07 BUDGET WILL ADD TEN (10) POSITIONS FOR THE HOMELESS SERVICES PROGRAM TO RESPOND TO THE REQUIREMENTS OF THE HOMELESS SERVICES REFORM ACT.

IN FY07, THE APS PROGRAM EXPECTS TO INVESTIGATE APPROXIMATELY 1,200 REPORTS OF SUSPECTED ABUSE, NEGLECT, EXPLOITATION AND/OR SELF NEGLECT OF VULNERABLE ADULTS WHO ARE PHYSICALLY OR MENTALLY INCAPACITATED AND UNABLE TO PROTECT THEMSELVES. BASED UPON THESE INVESTIGATIONS, APS WILL PROVIDE PROTECTIVE SERVICES TO REMEDIATE RISK. APPROPRIATED FUNDS ALSO WERE ADDED TO THE APS PROGRAM TO SUPPORT THREE (3) NEW SOCIAL WORK POSITIONS.

THE TEEN PARENT ASSESSMENT PROGRAM WILL PROVIDE CASE MANAGEMENT SERVICES TO APPROXIMATELY 50 TEEN PARENTS AND WILL PROVIDE PREGNANCY PREVENTION EDUCATION AND OUTREACH TO MORE THAN 3,000 ADOLESCENTS IN THE DISTRICT OF COLUMBIA. THE REFUGEE RESETTLEMENT PROGRAM ANTICIPATES PROVIDING 400 REFUGEES/ASYLEES WITH EMPLOYMENT READINESS SERVICES AND ASSISTANCE WITH JOB PLACEMENT.

THE STRONG FAMILIES PROGRAM WILL PROVIDE PREVENTION AND EARLY INTERVENTION SERVICES TO MORE THAN 500 FAMILIES WHO MAY OTHERWISE BECOME KNOWN TO THE DISTRICT'S CHILD WELFARE, JUVENILE JUSTICE, HOMELESS, MENTAL HEALTH AND/OR CRIMINAL JUSTICE SYSTEMS. THE COMMUNITY SERVICES BLOCK GRANT PROGRAM WILL SERVE MORE THAN 62,000 RESIDENTS WITH A RANGE OF SERVICES AIMED AT HELPING LOW-INCOME INDIVIDUALS AND FAMILIES ACHIEVE GREATER SELF-SUFFICIENCY.

INCOME MAINTENANCE ADMINISTRATION

AS YOU ARE AWARE, IMA IS THE LARGEST OF THE DEPARTMENT'S ADMINISTRATIONS AND IT IS PRIMARILY SUPPORTED BY FEDERAL FUNDS. LOCAL FUNDS IN IMA'S BUDGET ARE REQUIRED MAINTENANCE OF EFFORT (MOE) OR MATCHING FUNDS. THE PROPOSED BUDGET FOR IMA IS \$174,140,543, AN INCREASE OF \$16,747,162 OVER FY06.

I AM PLEASED TO REPORT THAT WE ARE POISED TO IMPLEMENT A TANF GRANT INCREASE OF 7.5 PERCENT BY JULY 2006. THE PLANNED INCREASE IS THE FIRST IN APPROXIMATELY 20 YEARS AND WILL BRING MUCH NEEDED ADDITIONAL SUPPORT TO LOW-INCOME FAMILIES. WITH THIS INCREASE, A FAMILY OF THREE THAT HAD RECEIVED \$379 WILL NOW RECEIVE \$407 PER MONTH.

AS I NOTED PREVIOUSLY, IN FY07, IMA WILL RECEIVE ADDITIONAL LOCAL FUNDS IN THE AMOUNT OF \$2.4 MILLION TO SUPPORT 53 ADDITIONAL FTE'S. THIS FTE INCREASE IS IN DIRECT RESPONSE TO IMA'S ASSUMPTION OF THE ELIGIBILITY DETERMINATION FUNCTION FOR THE D.C. HEALTHCARE ALLIANCE. THESE FUNDS HAVE BEEN BUILT INTO IMA'S BASELINE BUDGET AND CONSTITUTE A TRANSFER FROM THE DEPARTMENT OF HEALTH, HEALTH CARE SAFETY NET ADMINISTRATION. AS YOU ARE AWARE, WITH THE ASSUMPTION OF ALLIANCE ELIGIBILITY, DISTRICT RESIDENTS WILL BE ABLE TO APPLY FOR ALL MEDICAL ASSISTANCE PROGRAMS, AS WELL AS FOOD STAMPS, TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF), AND INTERIM DISABILITY ASSISTANCE (IDA) IN ONE LOCATION. IN ORDER TO DETERMINE THE APPROPRIATE COSTS TO BE CHARGED TO EACH ELIGIBILITY PROGRAMS, IMA WILL CONTINUE TO USE ITS FEDERALLY-APPROVED ELECTRONIC COST ALLOCATION SYSTEM.

AS WE TESTIFIED BEFORE YOU AT THE OVERSIGHT HEARING OF MARCH 9TH, THE LOCALLY-FUNDED INTERIM DISABILITY ASSISTANCE (IDA) PROGRAM HAS BEEN OVERWHELMINGLY SUCCESSFULLY. NOT ONLY HAS IT HELPED THOUSANDS OF DISTRICT RESIDENTS AWAITING A DECISION ON THEIR ELIGIBILITY FOR FEDERAL DISABILITY BENEFITS, IT HAS BEEN AN EXAMPLE OF A SUCCESSFUL COLLABORATION BETWEEN THE DEPARTMENT OF HUMAN SERVICES AND THE ADVOCACY COMMUNITY. PERHAPS MOST IMPORTANTLY, THE PROGRAM HAS BEEN COST EFFECTIVE. NOT ONLY HAS D.C. RECOVERED THE AMOUNT OF

ASSISTANCE PAID TO 44 PERCENT OF CUSTOMERS WHOSE IDA CASES WERE CLOSED, BUT THE SSI RECEIVED BY IDA CUSTOMERS HAS BROUGHT AN ADDITIONAL \$15 MILLION IN SPENDING INTO THE DISTRICT'S ECONOMY. THE IDA CASELOAD HAS CONTINUED TO GROW AT A FASTER PACE THAN WAS INITIALLY ANTICIPATED. WE ESTIMATE THAT THE PROPOSED FUNDING LEVEL CAN SUPPORT AN AVERAGE CASELOAD OF APPROXIMATELY 1,900 THROUGH FISCAL YEAR 2007.

FY07 PRESENTS NUMEROUS CHALLENGES TO THE TANF BUDGET. THE FEDERAL DEFICIT REDUCTION ACT (DRA) IMPOSES SEVERAL MEASURES THAT EFFECTIVELY SHIFT COSTS FROM THE FEDERAL GOVERNMENT TO THE STATES. IMA HAS PROPOSED A PLAN TO MINIMIZE THE POTENTIAL IMPOSITION OF PENALTIES WHILE, AT THE SAME, TIME BUILDING ON ITS SUCCESSFUL WELFARE-TO-WORK EFFORTS. THIS COST-NEUTRAL PROPOSAL RETAINS THE DISTRICT'S EMPHASIS ON WORK WHILE NOT IMPOSING PUNITIVE POLICIES ON THE DISTRICT'S DISADVANTAGED RESIDENTS. THE PROPOSAL INVOLVES FUNDING CASH ASSISTANCE FOR A PORTION OF THE TANF CASELOAD WITH LOCAL FUNDS NOT CURRENTLY COUNTED TOWARD THE DISTRICT'S MOE REQUIREMENT, AND WHICH ARE USED FOR A LEGISLATIVELY ALLOWABLE PURPOSE OF TANF. THIS ADMINISTRATIVE STRATEGY WILL ALLOW US TO MITIGATE PENALTIES AS WE REDOUBLE OUR EFFORTS TO MOVE CUSTOMERS FROM WELFARE TO WORK.

AS YOU ARE ALSO AWARE, THE DRA ELIMINATED THE POTENTIAL FOR STATES TO WIN TANF BONUS FUNDS. THE AWARD OF TANF BONUSES HAS BROUGHT AN ADDITIONAL \$168 MILLION IN FUNDING FOR SERVICES TO THE DISTRICT'S MOST VULNERABLE RESIDENTS. WHILE BONUSES WILL BE AWARDED FOR FY06, BECAUSE IT IS TYPICALLY ON THE LAST DAY OF THE FISCAL YEAR, THERE IS NO WAY TO ANTICIPATE WHETHER OR NOT THE DISTRICT WILL ONCE AGAIN RECEIVE AN AWARD. TANF BONUS FUNDS HAVE AFFORDED THE CITY WIDE LATITUDE TO FUND A BROAD RANGE OF SERVICES. THESE FUNDS WERE CRITICAL IN THE FACE OF A STAGNANT FEDERAL BLOCK GRANT WHICH REMAINS AT THE SAME FUNDING LEVEL AS IT WAS TEN YEARS AGO. GIVEN NO INCREASE IN BLOCK GRANT FUNDING AND MUCH HIGHER WORK REQUIREMENTS, THE DISTRICT MUST RETAIN ITS COMMITMENT TO FUNDING CORE SERVICES INCLUDING CASH ASSISTANCE, WELFARE-TO-WORK PROGRAMS AND CHILD CARE, WHICH ARE ESSENTIAL TO WELFARE-TO-WORK SUCCESS.

EARLY CARE AND EDUCATION ADMINISTRATION

ECEA'S BUDGET ALSO IS COMPRISED ALMOST EQUALLY OF LOCAL AND FEDERAL FUNDS. THE FY07 PROPOSED BUDGET FOR ECEA IS \$96,987,258, AN INCREASE OF \$231,106 OVER FY06. WHILE THERE APPEARS TO BE AN INCREASE BECAUSE OF THE INCLUSION OF INTRA-DISTRICT FUNDS, WHEN LOCAL AND FEDERAL FUNDS ARE COMPARED TO THE FY06 CONGRESSIONALLY APPROVED LEVELS, THERE IS A REDUCTION. THE DEPARTMENT HAS SUBMITTED TO THE COMMITTEE AN EXPLANATION OF THESE REDUCTIONS. BECAUSE OF THE

ANTICIPATED CARRY OVER OF FEDERAL FUNDS, COUPLED WITH A POTENTIAL INCREASE OF \$5.1 MILLION, BASED UPON THE MAY REVENUE CERTIFICATION, THIS CHANGE WILL NOT ADVERSELY AFFECT THE AVAILABILITY OF SUBSIDIES TO LOW-INCOME CHILDREN IN THE DISTRICT.

THE \$4.6 MILLION IN INTRADISTRICT FUNDS FROM THE D.C. PUBLIC SCHOOLS SUPPORTS THE IMPLEMENTATION OF THE PRE-KINDERGARTEN INCENTIVE DEMONSTRATION PROGRAM. THIS PROGRAM IS DESIGNED TO SERVE AT LEAST 375 UNSERVED THREE- AND FOUR-YEAR-OLDS WITH HIGHLY QUALIFIED TEACHERS IN LITERACY RICH ENVIRONMENTS, USING A STANDARDS-BASED CURRICULUM. THE CHILDREN IN THIS DEMONSTRATION PROGRAM RECEIVE COMPREHENSIVE SERVICES.

IN FY 2005, ECEA ELIMINATED THE CHILD CARE WAIT LIST AND SERVED 21,677 OF THE 31,500 CHILDREN ELIGIBLE FOR SUBSIDIES. ECEA PROJECTS IT WILL SERVE 22,677 CHILDREN IN 2006 OR 71% OF THE CHILDREN WHO ARE ELIGIBLE FOR THE SUBSIDY. THIS PLACES THE DISTRICT OF COLUMBIA AMONG THE TOP FIVE JURISDICTIONS IN THE U.S. IN THE PLACEMENT OF CHILDREN IN SUBSIDIZED CHILD CARE. THE AVERAGE NUMBER OF CHILDREN RECEIVING SUBSIDIZED CHILD CARE IN STATES ACROSS THE COUNTRY IS BETWEEN 15 AND 20 PERCENT.

FINALLY, SINCE FY00, THE NUMBER OF CHILD CARE SUBSIDY PROGRAM PROVIDERS WHO HAVE ACHIEVED NATIONAL ACCREDITATION (GOLD TIER) HAS INCREASED FROM SEVEN (7) TO 106. AS A RESULT OF ONE-TIME FUNDS AVAILABLE IN FY06, 60 PROVIDERS ARE IN THE PROCESS OF OBTAINING NATIONAL ACCREDITATION (GOLD TIER) AND 51 OTHERS ARE PREPARING TO ADVANCE TO THE SILVER TIER. D.C. IS RANKED NUMBER ONE AND NUMBER THREE IN THE NATION IN THE NUMBER OF ACCREDITED HOMES AND CENTERS, RESPECTIVELY, AS A PROPORTION OF ALL LICENSED HOMES AND CENTERS.

REHABILITATION SERVICES ADMINISTRATION

ALTHOUGH THE REHABILITATION SERVICES ADMINISTRATION WILL PRESENT ITS BUDGET ON APRIL 7, 2006, I WANT TO TOUCH ON IT BRIEFLY TODAY. RSA'S TOTAL PROPOSED FY 07 BUDGET IS \$31,458,535. THIS INCLUDES \$7,041,107 IN LOCAL FUNDS, \$20,717,428 IN FEDERAL FUNDS, AND \$3,700,000 IN OTHER FUNDS. THESE FUNDING SOURCES SUPPORT 197 FTE'S. LOCAL FUNDS IN RSA'S BUDGET ARE REQUIRED MAINTENANCE OF EFFORT (MOE) OR MATCHING FUNDS NECESSARY TO RECEIVE FULL, FEDERAL FUNDING.

RSA'S BUDGET WILL SUPPORT AN ARRAY OF VOCATIONAL SERVICES TO ASSIST INDIVIDUALS WITH DISABILITIES TO ENTER THE LABOR MARKET. THE SERVICES INCLUDE COUNSELING AND GUIDANCE, ASSESSMENT SERVICES, PHYSICAL RESTORATION, VOCATIONAL TRAINING, JOB SEARCH AND

PLACEMENT. RSA ASSISTS THESE INDIVIDUALS TO MOVE TOWARD ECONOMIC SELF-SUFFICIENCY AND INDEPENDENCE IN THE COMMUNITY.

DEPARTMENTAL INITIATIVES

IN ADDITION TO THE WORK CARRIED OUT BY THE ADMINISTRATIONS, IN FY07 THE DEPARTMENT WILL WORK TO STRENGTHEN OUR PARTNERSHIPS WITH FEDERAL AND LOCAL GOVERNMENT AGENCIES, COMMUNITY-BASED ORGANIZATIONS, AND ADVOCATES WHO HAVE WORKED WITH US TO SUPPORT THE DISTRICT'S SOCIAL SERVICES DELIVERY SYSTEM. THROUGH THESE PARTNERSHIPS, WE WILL WORK TO CONTINUE TO PROVIDE HIGH QUALITY SERVICES TO DISTRICT RESIDENTS. THESE PARTNERSHIPS ARE VITAL TO DHS' EFFORTS TO MAINTAIN A SAFETY NET FOR THE NEEDIEST INDIVIDUALS IN OUR COMMUNITY.

RECOGNIZING THAT MANY FAITH-BASED ENTITIES LOCATED IN AND NEAR LOW-INCOME NEIGHBORHOODS ARE OFTEN THE FIRST POINT OF CONTACT FOR RESIDENTS EXPERIENCING FINANCIAL AND SOCIAL PROBLEMS, WE HAVE FORMED A FAITH-BASED AND COMMUNITY-BASED PARTNERSHIP AND ADVISORY BOARD TO HELP US IMPROVE THE DELIVERY OF SOCIAL SERVICES TO POOR AND LOW-INCOME RESIDENTS. IN THE UPCOMING FISCAL YEAR, WE WILL IMPLEMENT STRATEGIES, WHICH COMBINE, WHERE APPROPRIATE,

GOVERNMENT RESOURCES WITH FAITH- AND COMMUNITY-BASED RESOURCES
TO EXPAND OUR SOCIAL SERVICES NETWORK.

AGAIN, LET ME THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU
TODAY. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.